

THE HENDRICKSON COMPANY

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To: Housing Finance Authority of Leon County Board of Directors
From: Mark Hendrickson, Administrator
Subject: May 14, 2020 Board Meeting
Date: May 5, 2020

I. Financial Reports and Budget—Action

1. The April 2020 Financial Statement is attached. Net assets as of February 29, 2020 are \$1,317,849.79, with \$87,830.11 in cash (\$232,336.66 restricted).
2. All Emergency Repair and CDBG expenditures are booked against the restricted assets from the property sales (they meet the test as direct housing expenditures).
 - ✓ Total revenues from property sales: \$361,579.66
 - ✓ Emergency Repair expenditures since August 2016: \$117,080
 - ✓ CDBG rehab: \$12,163
 - ✓ Remaining Restricted Funds: \$232,336.66
3. An Expenditure Approval list and bank/SBA statements are attached.
4. The HFA has made a \$2,500 Conference Gold Sponsorship payment to Florida ALHFA. The in-person conference has been canceled and is being replaced by conference session held by digital methods. Florida ALHFA has requested that all sponsors continue their sponsorship, and to date, seventeen have agreed and six are taking to HFA Board meetings.
5. **Recommendations: None**
 - Accept Financial Statements
 - Approve expenditures detailed on Expenditure Approval list.
 - Approve retention of Gold Sponsorship of Florida ALHFA virtual conference

II. Active Bond Applications—Informational

1. The HFA published a NOFA for bond applications for developments that would also seek SAIL funding from FHFC. The NOFA is “open”, meaning applications are on a “first-come first-evaluated” basis.
2. **Magnolia Family:**
 - The HFA induced the development at the December 2019 meeting. TEFRA approval was given by the BOCC on April 28
 - The development has received preliminary approval from the FHFC Board for SAIL funding, subject to the conclusion of the legal process surrounding any FHFC RFA (to be complete July 17).

3. **Magnolia Terrace:** The bond sale closed April 30. The HFA closing fee was \$34,900. The estimated annual fee is \$23,520 (semi-annual payments beginning October 1,2020).
4. **Recommendation:** None

Name	Magnolia Family	Magnolia Terrace
Owner Entity*	Country Club Magnolia Family, LP	LIH Magnolia Terrace, LP
Developer/Location	New Affordable Housing Partners, LLC Atlanta, Georgia Tallahassee Housing Economic Corporation Tallahassee, Florida	Levy Affiliated Holdings Santa Monica, CA 90401
Type	New Construction	Acquisition and Rehabilitation Garden
Street Address	Canton Circle, 150' SW of the intersection of Canton Circle & Country Club Drive	509 East Magnolia Dr, Tallahassee, FL 32301
County Commission District	District 1, Bill Proctor	District 1, Bill Proctor
Units	130	108
Bedrooms	252	232
# of Buildings	5 residential buildings	17, 15 residential, 1 community room, and 1 office/laundry
# of Stories	3	2
Bond Request	\$15,000,000 \$115,385/unit	\$11,550,000 or \$106,944/unit
SAIL & ELI Funding	\$6,2111,577	\$0
Housing Credit Investor	TBD	\$5,782,582 \$0.8955 per \$1 HC \$53,542/unit
TEFRA Approval	4-28-20	5-28-19
Total Cost	\$24,623,515	\$21,234,860
Total Cost Per Unit	\$189,412	\$196,619
Land Cost	\$0—Ground Lease from Tallahassee Housing Authority \$0//unit	\$648,000 or \$6,000//unit
Acquisition of Building Cost	NA	\$8,452,000 or \$78,259/unit
Hard Construction Cost	\$16,314,670 \$125,497/unit	\$5,948,172 or \$55,076/unit Rehab contingency \$603,504 or \$5,588/unit
General Contractor	TBD	Wilshire Pacific Builders, LLC
Credit Enhancement	TBD	Fannie Mae/CBRE
Set-Aside Period	50 years	30 years
Set-Aside Levels	10.0% (13 units) <33% AMI for 15 years, then 60% AMI 90.0% (117 units) <60% AMI	100% of the 108 units <60% AMI

III. **Emergency Repair Program—Informational**

1. The HFA authorized an emergency repair program, for minor repairs that need immediate attention—and are not covered by the County’s SHIP Program. A total of \$50,000 has been committed for FY 19-20. Individual repairs are limited to \$1,650 per home (\$7,500 for senior

- or persons with special needs that reside in mobile homes).
2. Ms. Milon requested more detail on the portion of the program which allows up to \$7,500 per home. In June 2018, Mr. Lamy requested that the program guidelines be amended to permit up to \$7,500 for repairs to mobile homes, but only if they were occupied by seniors or persons with special needs. The \$1,650 limit applies to all stick-built homes, regardless of the age or condition of the resident. Therefore, the change benefited the elderly, as it increased funding available to those living in mobile homes. The reason for the change was that while SHIP funds are generally used for repairs above the \$1,650 limit, the SHIP statute limits SHIP expenditures on mobile homes to only 20% of the total. The County found that many elderly persons lived in mobile homes needing repair, but they could not serve them with the SHIP Program. The HFA Board approved the requested change at the June 2018 meeting.
 3. Of the FY 19-20 allocation, \$35,286 has been encumbered with \$12,261 of that spent.
 4. **Recommendation:** None.

IV. Real Estate—Informational

1. The Real Estate Division is responsible for selling surplus properties designated for affordable housing, with proceeds of the sale coming to the HFA.
2. Sales of seven properties by the Real Estate Division generated total revenues to the HFA of \$107,102. As of April 30, 2020, sales of 39 properties by Ketcham Realty have generated \$254,477.66 to the HFA. The new total is now \$361,579.66.

PROPERTIES SOLD BY COUNTY				
Property	Sales Price	County Costs	HFA	Deposit
Calloway Street	\$ 5,900.00	\$ 700.00	\$ 5,200.00	3/29/2017
278 Oakview Drivie	\$ 27,300.00	\$ 775.00	\$ 26,525.00	1/5/2017
114 Osceola Street	\$ 34,100.00	\$ 1,523.00	\$ 32,577.00	8/29/2016
723 Frankie Lane Drive	\$ 12,000.00	\$ 700.00	\$ 11,300.00	12/1/2016
2109 Holton Street	\$ 6,500.00	\$ 1,700.00	\$ 4,800.00	2/15/2017
6009 Sam's Lane	\$ 3,000.00	\$ 600.00	\$ 2,400.00	5/15/2018
7234 Dykes Road	\$ 25,000.00	\$ 700.00	\$ 24,300.00	1/11/2019
TOTAL COUNTY SALES	\$ 113,800.00	\$ 6,698.00	\$ 107,102.00	
PROPERTIES SOLD BY BROKER				
Property	Sales Price	Ketcham Fee	HFA	Deposit
1506 Crown Ridge Road	\$ 8,100.00	\$ 1,500.00	\$ 6,600.00	5/10/2019
2997 Lilly Road	\$ 8,100.00	\$ 1,500.00	\$ 6,600.00	5/10/2019
4060 Morgan Road	\$ 7,000.00	\$ 1,500.00	\$ 5,500.00	5/10/2019
4037 Bishop Road	\$ 8,000.00	\$ 1,500.00	\$ 6,500.00	5/10/2019
4033 Bishop Road	\$ 8,000.00	\$ 1,500.00	\$ 6,500.00	5/10/2019
4043 Buster Road	\$ 8,000.00	\$ 1,500.00	\$ 6,500.00	5/10/2019
2572 Tiny Leaf Road	\$ 4,000.00	\$ 1,000.00	\$ 3,000.00	5/17/2019
1209 Southern Street	\$ 3,000.00	\$ -	\$ 3,000.00	5/17/2019

4065 Morgan Road	\$ 7,000.00	\$ 122.50	\$ 6,877.50	6/5/2019
Monday Road	\$ 15,000.00	\$ 178.50	\$ 14,821.50	6/5/2019
12513 Forest Acres Trail	\$ 9,500.00	\$ -	\$ 9,500.00	6/5/2019
2993 Lilly Road	\$ 8,100.00	\$ 1,500.00	\$ 6,600.00	6/13/2019
714 Stafford Street	\$ 15,000.00	\$ 55.00	\$ 14,945.00	6/28/2019
2123 Flipper Street	\$ 4,000.00	\$ 1,500.00	\$ 2,500.00	7/26/2019
Lilly Road	\$ 7,000.00	\$ 122.50	\$ 6,877.50	7/26/2019
Craft Street	\$ 6,000.00	\$ 115.50	\$ 5,884.50	7/26/2019
3529 Sunburst Loop	\$ 4,000.00	\$ 102.00	\$ 3,898.00	7/26/2019
Moore Woods Rd	\$ 7,000.00	\$ 122.00	\$ 6,878.00	7/26/2019
7344 Poplar Point Drive	\$ 9,000.00	\$ 1,816.56	\$ 7,183.44	8/13/2019
1017 Dover Street	\$ 6,750.00	\$ 905.00	\$ 5,845.00	8/28/2019
Abraham Street	\$ 6,750.00	\$ 905.00	\$ 5,845.00	8/28/2019
1118 Clay Street	\$ 6,750.00	\$ 905.00	\$ 5,845.00	8/28/2019
Calloway Street	\$ 6,750.00	\$ 905.00	\$ 5,845.00	8/28/2019
Delaware Street	\$ 6,000.00	\$ 1,500.00	\$ 4,500.00	8/28/2019
2277 Saxon Street	\$ 2,500.00	\$ 1,000.00	\$ 1,500.00	10/10/2019
10715 Tebo Trail	\$ 20,000.00	\$ 1,154.30	\$ 18,845.70	11/21/2019
4046 Morgan Road	\$ 7,000.00	\$ 567.50	\$ 6,432.50	11/25/2019
5017 Dust Bowl Lane	\$ 3,543.00	\$ 1,543.00	\$ 2,000.00	12/28/2019
413 Great Lakes Street	\$ 3,600.00	\$ 1,500.00	\$ 2,100.00	1/29/2020
T and T Road	\$ 4,500.00	\$ 1,500.00	\$ 3,000.00	2/20/2020
Old Woodville	\$ 4,500.00	\$ 1,500.00	\$ 3,000.00	2/20/2020
Clay Street	\$ 6,300.00	\$ 55.00	\$ 6,245.00	2/20/2020
2113 Wakulla Street	\$ 4,000.00	\$ 55.00	\$ 3,945.00	2/20/2020
3641 W W Kelley	\$ 8,000.00	\$ 1,527.98	\$ 6,472.02	2/20/2020
1905 Rhodes Cemetery Rd.	\$ 25,000.00	\$ 8,858.00	\$ 16,142.00	3/5/2020
4006 Morgan Road	\$ 4,802.10	\$ 1,552.10	\$ 3,250.00	3/18/2020
4025 Morgan Road	\$ 8,074.50	\$ 74.50	\$ 8,000.00	4/27/2020
4029 Morgan Road	\$ 8,074.50	\$ 74.50	\$ 8,000.00	4/27/2020
4036 Buster Road	\$ 7,571.00	\$ 71.00	\$ 7,500.00	4/27/2020
TOTAL KETCHAM SALES	\$ 296,265.10	\$ 41,787.44	\$ 254,477.66	

3. **Recommendation:** None.

V. Legal Update—Informational

1. HFA Counsel will report on their activities.

2. **Recommendation:** None.

VI. Occupancy Reports (Quarterly)—Informational

1. Lakes at San Marcos is 97% occupied, up 2% in last quarter. Magnolia Terrace is 95.4% occupied, down from 100% in previous quarter. Kenwood Trace is 98%, down from 100% in previous quarter.
2. **Recommendation:** None.

VII. To-Do List—Informational

To-Do Item	HFA	Admin	CAO	SL	NBN	Status	Completed
February 2020							
The Board directed the Administrator to include Kenwood Place in occupancy reports		X				In May memo	Completed
April 2020							
Ms. Milon asked for more detailed information on the part of the program which permitted \$7,500 of repairs. Mr. Hendrickson and Mr. Wyman stated that they would research this item and bring it to the May HFA meeting.		X				In May memo	Completed

VIII. State Legislative Update—Informational

1. The Senate and House agreed to full funding for housing—the first time in 13 years. The full funding number is \$370 million. The importance of this cannot be understated.
2. With full funding, approximately \$3.2 million of SHIP will come to Tallahassee-Leon County, with the County receiving \$1.1 million and the City of Tallahassee \$2.1 million. Additionally, FHFC released \$8.6 million of SHIP that had been held back for disasters, with Leon County receiving \$36,092 and the City of Tallahassee \$69,472.
3. The Sadowski Education Effort (SEE) was essential to this success. We were not the only ones in the fight, but we were the ones getting the editorials written and in constant communication with legislators focused on this issue. Florida ALHFA’s incredible relationship with FHFC/Trey Price was also massively helpful this year. There was truly a coordinated effort.
4. The Sadowski Education Effort continues to work on the issue to eliminate the possibility that housing funding is pulled back before July 1 due to COVID-19’s impact on revenues. We have adopted a strategy of Housing = Healthcare, and are educating legislators that housing funding is being spent in direct response to the problems caused by COVID.

5. Specifically, because of the Emergency Declaration, FHFC can waive statute and rules governing the SHIP Program, allowing local governments to implement disaster strategies that often include direct rental or mortgage payment assistance.
6. Every legislator was sent a district specific thank-you and a separate message about how housing funding is responding directly to COVID generated problems.
7. Op-ed pieces have been published in four newspapers on this topic.
8. **Recommendations:** None.

Appropriation of Housing Trust Fund Monies: \$387.0 Million

Revenue Estimate from January 2020 REC Conference & Estimated TF Balances

	GOVERNOR	SENATE	HOUSE	FINAL BUDGET FY 20-21	FINAL BUDGET FY 19-20
FHFC: SAIL & other FHFC Line 2281	\$119,800,000	\$119,800,000	\$48,800,000	\$115,000,000	\$ 39,040,000
SHIP Line 2282	\$267,200,000	\$267,200,000	\$73,200,000	\$225,000,000	\$ 46,560,000
Hurricane Housing Recovery Program (SHIP-like program for Hurricane Michael disaster counties only) 2282A	\$0	\$0	\$25,000,000	\$30,000,000	\$ 65,000,000
Rental Recovery Loan Program (SAIL-like program (for Hurricane Michael disaster counties only) Line	\$0	\$0	\$0	\$0	\$ 50,000,000
TOTAL HOUSING	\$387,000,000	\$387,000,000	\$147,000,000	\$370,000,000	\$200,600,000
SHTF SWEEP	\$0	\$0	\$65,000,000	\$0	\$ 10,000,000
LGHTF SWEEP	\$0	\$0	\$135,000,000	\$0	\$115,000,000
TOTAL SWEEP	\$0	\$0	\$200,000,000	\$0	\$125,000,000
Unallocated SHTF	\$0			\$4,800,000	\$ 300,000
Unallocated LGHTF	\$0			\$12,200,000	\$7,060,000

Proviso/Back of the Bill for FHFC

- Additional \$250,000 from GR to FHFC for Purpose Built Community through SAIL
- \$20 million of HHRP for Hurricane Michael recovery distributed based on damage assessment/SHIP style program

- \$10 million of HHRP to FHFC for down payment assistance in Bay, Jackson, Gulf, Calhoun, Gadsden, Washington, Liberty, Franklin, Wakulla, Taylor & Holmes Counties
- \$500,000 from SHIP for Catalyst Training from SHIP
- 10% of FHFC funds for competitive grant program for housing developments for persons with developmental disabilities